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**ARIZONA CORPORATION COMMISSION**

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AZ CORP COMMISSION  
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March 19, 2008

**CERTIFIED MAIL**

Mr. Donald J. Unthank  
11802 E. Blue Wash Rd  
Cave Creek, AZ 85331

Arizona Corporation Commission

**DOCKETED**

MAR 19 2009



RE: Tonto Hills Utility Company- Application for Approval of the Sale of Assets and for Cancellation of the Certificate of Convenience and Necessity ("CC&N")  
Docket No. W-02483A-09-0064

**INSUFFICIENCY LETTER**

Dear Mr. Unthank:

In reference to the above-mentioned application docketed on February 17, 2009, by Tonto Hills Utility Company ("Tonto Hills" or "Company"), this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C") R14-2-602. The following information needs to be provided in order to determine sufficiency:

1. Provide a complete listing of the Company's assets that are to be sold to the Tonto Hills Domestic Water Improvement District ("District"). On the list provided, please indicate those assets, if there are any, that would not be sold to the District.
2. What is the total purchase price to be paid by the District and how was this price determined?
3. What is the status of the Tonto Hills' loan application to the Water Infrastructure Funding Authority ("WIFA")? Where is the Tonto Hills' loan application ranked on the WIFA 2009 Funding Cycle - Priority List for Drinking Water Revolving Fund?
4. Describe the District's (or its members) prior experience in owning and operating a water company.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the A.A.C. R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 days for its substantive review. This includes conducting a hearing and preparing an Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions, please do not hesitate to contact me at 602-542-0818 or Del Smith at 602-542-7277.

Sincerely,

A handwritten signature in cursive script, reading "Vicki Wallace".

Vicki Wallace  
Executive Consultant

Cc: Docket Control  
Del Smith  
Barbara Wells  
Lyn Farmer